RESCISSION — RESCISSION FOR FRAUD OR MISTAKE — MISREPRESENTATION AS TO FOREIGN LAW OF INCORPORATION. — The agent of a corporation induced subscription to its stock by a false representation that it was secured by the law of the state in which the company was incorporated. The subscriber was a resident of another state. *Held*, that the subscriber is not entitled to rescind. *Grone* v. *Economic Life Ins. Co.*, 80 Atl. 809 (Del., Ct. Ch.).

Generally, a subscriber for stock in a corporation may rescind if his subscription was induced by misrepresentation, whether fraudulent or honest. *River Silver Mining Co.* v. *Smith*, L. R. 4 H. L. 64; *Maine* v. *Midland Investment Co.*, 132 Ia. 272. But where the misrepresentation concerns the laws governing the corporation, the courts usually deny the subscriber a right of rescission. The cases proceed on two theories. Where the misrepresentation is as to the terms of a general incorporation law, it is held that this cannot avail the subscriber, being a representation of the law, of which he is chargeable with notice. *Russell* v. *Alabama Midland Ry.*, 94 Ga. 510. *Cf. Peters* v. *Lincoln & N. W. R. Co.*, 14 Fed. 319. This theory should not defeat the subscriber in the principal case, since a misrepresentation as to foreign law should be treated as a misrepresentation of fact. See *Upton* v. *Englehart*, Fed. Cas., No. 16,800. But where the misrepresentation is as to the terms of a special charter, the courts have taken the broader ground that the subscriber is chargeable with knowledge of the paramount law of the corporation of which he is to become a member. *Ellison* v. *Mobile & Ohio R. Co.*, 36 Miss. 572. See *Wight* v. *Shelby R. Co.*, 16 B. Mon. (Ky.) 4, 6. This theory sustains the principal case, and might well have been a short ground for deciding many cases in deceit, where the plaintiff was barred because the misrepresentation was honestly made. See *Derry* v. *Peek*, 14 App. Cas. 337.

RESTRAINT OF TRADE — SHERMAN ANTI-TRUST LAW — FORM OF COMBINATION. — The United States brought suit for the dissolution of the Standard Oil Company of New Jersey, a holding company, as a combination in restraint of interstate trade under the Sherman Anti-Trust Law. The evidence showed a suppression of competition by the combination by unfair methods. *Held*, that the defendant constitutes an illegal combination under §§ 1 and 2 of the Act. *Standard Oil Co.* v. *United States*, 221 U. S. 1.

The United States brought suit for the dissolution of the American Tobacco Company as a combination in restraint of interstate trade under the Sherman Anti-Trust Law. The control of the primary defendant over its subsidiary companies was effected partly by stock ownership and partly by the ownership of the plants of those companies. The combination had used unfair methods to suppress competition and to attain monopoly control. *Held*, that the defendant constitutes an illegal combination under §§ 1 and 2 of the Act. *United States* v. *American Tobacco Co.*, 221 U. S. 106. See pp. 31–58, and NOTES, p. 71.

RESTRICTIONS AND RESTRICTIVE AGREEMENTS AS TO USE OF PROPERTY — EXTINGUISHMENT OF RESTRICTION BY SURRENDER TO PARTY WITHOUT NOTICE. — A. had leasehold interests in two neighboring shops, in one of which he carried on the trade of a pork butcher, and in the other that of a general butcher. A. sold his lease and business in the latter to the plaintiff, covenanting not to engage in the trade of general butcher within three miles. The defendant, who had notice of this covenant, decided to buy A.'s business; so A. surrendered his lease in the first shop to the landlord, who had no notice of the covenant. The defendant took out a new lease of the premises and there carried on the business of general butcher, from continuing which the plaintiff sought to enjoin him. *Held*, that the restriction is extinguished. *Wilkes* v. *Spooner*, [1911] 2 K. B. 473 (K. B. D., C. A.).

The judgment of the King's Bench Division, which enjoined the defendant